

Unapproved

**SALEM BOARD OF FINANCE
REGULAR MEETING MINUTES
May 10, 2012**

PRESENT

TJ Butcher
Carole Eckart
Janet Griggs
George Householder
David Kennedy (Alt)
Peter Lee (Alt)
Greg Preston
Bill Weinschenker

ABSENT

John Dolan (Alt)

B. Weinschenker called the meeting to order at 7:30 PM.

Recognition of Visitors:

Chairman Weinschenker introduced the Guest from Meyers & Company who will present an audit for the 2011/2012-budget year.

Sandra Welwood and Lyn Meyers from Meyers & Company LLC presented the BOF with a proposal to provide audit services to the Town of Salem. (See attached for presentation information and proposal.)

Sandra Welwood touched on four main topics:

1. Timeline for performing the audit
2. Expectations of personnel
3. Communication
4. Audit efficiencies and effectiveness.

The firm is flexible and works with prospective clients on their schedules. The firm gathers general information from the client's website and meets with the clients around their schedules. The firm will review the previous year's audit and come up with suggestions to make reporting more effective. The other component is segregation of duties for small towns to make sure there is no duplication of duties.

Questions were asked about how long the firm has been in business, how many towns are audited by their firm, what are the sizes of these towns, and what is the size of their firm (how many staff). S. Welwood stated that the firm has been in business for 28 years. The firm audits 4 towns that are the same size as Salem. Their firm employs four full time staff members. Sandra also discussed the use of a very expensive software package that cross checks information supplied by the clients. Chairman Weinschenker thanked the audit firm for their time and information.

Seat Alternate: None

Communications: None

Additions to the Agenda: None

Agenda

1. Approval of minutes

M/S/C (Householder/Eckart) to approve the April 12, 2012, Regular Board of Finance Meeting minutes as amended.

Page2-3: On the order of the two motions that were made concerning the Farmer's Market. Move the motion to create the expense line #152-95-0651 ahead of the motion to fund the newly created line for the Farmer's Market.

Vote: Approved Unanimously

2. Treasurer's Report

M. Ferren presented the Board with her report (see file copy).

- Monies for the Education Equalization were received.
- Property tax Revenue collected is at 99.9%.
- Overall revenue is at 99.4%

- The Board members asked about the TAR and the LOCIP revenue and if the town is expected to received these funds. When the TAR grant is received it is deposited into the Citizen's Bank account and is not recorded on the revenue summary. The LOCIP revenue is used for special projects. The money is received when the town applies for it. The State holds these funds that accumulate every year until requested by the town.
- Questions were asked about leasing the Gadbois property and where the money will be recorded for the area being used for planting corn on this property. M. Ferren informed the BOF that there was a line item already established for leasing.
- G. Householder asked about department #96 – Revenue from Use of Town's money. It was suggested that money be invested to earn more interest for the town.

3. **Public Comment:** NONE

4. **Selectman's Report**

- The First Selectman, Kevin Lyden, congratulated the BOF on a fair and successful budget year.
- **Salary Department #105**
It is estimated that the following line in this year's budget will be overspent
- 105-040-230 EMT Maintenance-The increase in this line item is need for the personnel that cover for the regular EMT/Firefighter employees when they use their personal, sick and vacation time and also for emergencies that occur after the EMT/Firefighter's regular shift.
- Chairman Weinschenker asked why additional dollars are not billed into this salary line during budget season. Additional funds for this line item were needed for the last few years. It was noted that this line for the 2012/2013 was not increased for these added expenses either. C. Eckart liked the idea that the line is under budgeted and the First Selectman finds funds in

other lines to cover this expense. The Chairman asked the First Selectman to consider addressing this item by increasing funds in this line item during the 2013/2014 budget year process.

- G. Householder asked about the salary line for the Library. K. Lyden will address this with the Library staff.

M/S/C (Householder/Butcher) to transfer money from 138-202-206 to Department # 105-040-230-EMT/Fighter in the amount of \$16,762

Vote: Approved Unanimously

5. Appointing of Auditor for the 2010/2011 Year (proposals included with minutes)

The Board discussed appointing of the auditor and stated that the presentation by Meyers & Company was informative. The Chairman stated that it is healthy to change auditors every few years. The Board was not prepared to change audit firms for the 2011/2012 fiscal year because of time restraints. It was suggested that in January 2013, the board solicit proposals from audit firms for their 2012/2013 budget year. This will allow the Board to research the firms that respond to the BOF request for proposals.

M/S/C (Householder/Budget) to appoint O'Connor Davies LP to audit the Town finances from, July 1, 2010 to June 30, 2011 and to authorize the Chairman to sign the contract with O'Connor Davies.

Vote: Approved Unanimously

6. Town Meeting/Referendum/Set Mil Rate (file copy)

Chairman Weinschenker informed the BOF that he remembers discussing the mil rate of 29.6 - 29.7 during the budget process. TJ Butcher expressed his concern that the Unassigned Balance stands at 7%. And he would like to see the fund at 9%. G. Householder noted that we will receive

money expended for the sidewalk and that the TAR and Capital Reserve Funds were not considered in the 7%. Unassigned Balance of 7%.

TJ Butcher asked how much revenue would be collected at a mil rate of 29.6. The answer is 10,014,313

Five thousand would add to the Unassigned Fund Balance at this mil rate.

M/S/C (Preston/Griggs) to set the mil rate for the 2012/1013 fiscal at 29.6-mil rate.

Vote: Approved Unanimously

Adjournment

M/S/C (Butcher/Griggs) motion to adjourn at 9:10.

Vote: Approved Unanimously

V. Casey

Recording Secretary